

U.S. House of Representatives
109th Congress

Opening Statement

Representative Elijah E. Cummings, D-Maryland

“Retirees Returning to the Rescue:
Re-employing Annuitants in Times of National Need”

Subcommittee on Federal Workforce and Agency Organization
Committee on Government Reform

July 25, 2006

Mr. Chairman,

Thank you for holding this important hearing to examine the re-employment of retired federal workers in times of national need.

With recent efforts to limit spending by limiting government employment, our federal workforce has aged at an alarming rate.

According to a Congressional Budget Office (CBO) Report, “Changes in Federal Employment: An Update,” more than three-quarters of the federal workforce in 2001 was over age 40. In contrast, only about half of all employed workers in the United States were over that age at that time.

The Office of Personnel Management (OPM) estimated that almost one-third of federal civilian employees would be eligible to retire from federal service by 2005.

This has had a severe impact on our federal workforce: With very few entry- and mid-level employees in the pipelines, agencies are facing the challenge of replacing experienced, skilled staff as more workers become eligible for retirement.

The impact becomes particularly apparent in times of national crisis, when we simply do not have the people to do the jobs that need to get done.

We all saw the impact of this in the failures of the Federal Emergency Management Agency (FEMA) and the Department of Homeland Security (DHS) during the Hurricane Katrina disaster. Mismanagement and poor leadership certainly had a role to play, but the agency also suffered from understaffing.

To address the issues raised by the aging workforce, the Government Accountability Office (GAO) recommended more effective recruitment and retention; more succession planning; and more investment in the training and development of existing staff.

Even with these more long-term efforts, though, it appears that the agencies are in need of a more short-term solution to the quickly diminishing federal workforce.

That is why Congress and the administration have established policies to allow federal retirees to return to service, for a limited period of time, and collect both salary and annuity payments.

We have an obligation to taxpayers to run our federal agencies as effectively and efficiently as possible. For this reason, these policies were purposefully designed to be used sparingly, only in instances where they are necessary for the work of the federal government to get done.

We are here today to examine how those efforts have worked so far, specifically in the case of the Department of Defense (DOD), and how they might be expanded in the future.

I look forward to the testimonies of today's witnesses and yield back the balance of my time.

QUESTIONS

The following witnesses are scheduled to testify:

Panel One

Nancy Kichak, Associate Director for Strategic Human Resources Policy Division,
Office of Personnel Management

Patricia Bradshaw, Deputy Undersecretary of Defense, Civilian Personnel Policy,
Department of Defense

Barbara Panther (tentative), Associate Deputy Assistant Secretary for Human
Resources and Management, Department of Veterans Affairs

Ronald Sanders, Chief Human Capital Officer, Office of the Director of National
Intelligence

- Ms. Kichak, to address the issues raised by the aging workforce, the Government Accountability Office (GAO) recommended more effective recruitment and retention; more succession planning; and more investment in the training and development of existing staff. Have the agencies been doing this?
- Ms. Bradshaw and Ms. Panther, according to a Congressional Budget Office (CBO) Report, “Changes in Federal Employment: An Update,” more than three-quarters of the federal workforce in 2001 was over age 40. Can you talk about the impact the aging workforce has had on your agencies?
- Ms. Bradshaw, Congress passed legislation to allow the Department of Defense (DOD) to provide employees who re-enter the workforce with dual annuity and salary compensation. How long do you estimate the department will need to operate under this policy before it is able to recruit and train new employees?

- Ms. Panther, the recent security breach at the Department of Veterans Affairs (VA) was a result of an employee taking work home. How common is this practice for VA employees, and is it related to the recent surge in retirement?

Panel Two

Charles Fallis, President, National Active and Retired Federal Employees Association

- Mr. Fallis, these new policies are allowing retired federal workers to re-enter the workforce, because we need them and their expertise. What sort of impact has this had on current employees—on their ability be trained in these areas and to move up the ranks?